

A photograph of a man with grey hair and a beard, wearing sunglasses and a light blue shirt, looking out from the deck of a sailboat. The sailboat's mast and rigging are visible, and the ocean stretches out in the background under a clear sky. A large, stylized blue 'X' graphic is overlaid on the left side of the image.

Pro Forma Financial Results

*Results excluding the impact of
discontinuation of M6™ product lines*

Net Sales by Major Product Category by Reporting Segment

Three Months Ended September 30,

(Unaudited, U.S. Dollars, in millions)	2025	2024	Change	Constant Currency Change
Bone Growth Therapies	\$ 61.2	\$ 57.9	5.7%	5.7%
Spinal Implants, Biologics and Enabling Technologies*	108.6	102.9	5.6%	5.6%
Global Spine*	169.8	160.8	5.6%	5.6%
Global Orthopedics	33.6	30.5	10.1%	5.9%
Pro forma net sales*	203.4	191.3	6.3%	5.7%
Impact from discontinuation of M6 product lines	2.2	5.3	(58.5%)	(58.6%)
Reported net sales	\$ 205.6	\$ 196.6	4.6%	3.9%

* Results above for each of Spinal Implants, Biologics, and Enabling Technologies; Global Spine; and pro forma net sales exclude the impact from discontinuation of the M6 product lines. Since pro forma net sales represent a non-GAAP measure, see the reconciliation above of the Company's pro forma net sales to its reported figures under U.S. GAAP. The Company's reported figures under U.S. GAAP represent each of the pro forma line items discussed above plus the impact from discontinuation of the M6 product lines.

Condensed Consolidated Balance Sheets

(U.S. Dollars, in thousands, except par value data)	September 30, 2025	December 31, 2024
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 62,860	\$ 83,238
Restricted Cash	3,086	2,500
Accounts receivable, net of allowances of \$9,413 and \$7,418, respectively	130,808	134,713
Inventories	174,042	189,452
Prepaid expenses and other current assets	23,374	23,382
Total current assets	394,170	433,285
Property, plant, and equipment, net	130,017	139,804
Intangible assets, net	75,641	98,803
Goodwill	194,934	194,934
Other long-term assets	37,848	26,468
Total assets	\$ 832,610	\$ 893,294
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 50,459	\$ 48,803
Current portion of finance lease liability	814	755
Other current liabilities	108,574	119,070
Total current liabilities	159,847	168,628
Long-term debt	157,219	157,015
Long-term portion of finance lease liability	17,240	17,835
Other long-term liabilities	55,818	46,692
Total liabilities	390,124	390,170
Contingencies		
Shareholders' equity		
Common shares \$0.10 par value; 100,000 shares authorized; 39,519 and 38,486 issued and outstanding as of September 30, 2025, and December 31, 2024, respectively	3,952	3,849
Additional paid-in capital	804,011	779,718
Accumulated deficit	(366,111)	(276,141)
Accumulated other comprehensive income (loss)	634	(4,302)
Total shareholders' equity	442,486	503,124
Total liabilities and shareholders' equity	\$ 832,610	\$ 893,294

Condensed Consolidated Statements of Operations

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
(Unaudited, U.S. Dollars, in thousands, except share and per share data)	2025	2024	2025	2024
Net sales	\$ 205,634	\$ 196,606	\$ 602,401	\$ 583,834
Cost of sales	57,111	61,553	192,726	186,790
Gross profit	148,523	135,053	409,675	397,044
Sales, general, and administrative	148,102	130,137	417,576	396,046
Research and development	14,774	17,294	50,474	54,835
Acquisition-related amortization, impairment, and remeasurement	2,693	6,521	23,547	19,305
Operating loss	(17,046)	(18,899)	(81,922)	(73,142)
Interest expense, net	(4,681)	(5,210)	(13,137)	(14,711)
Other (expense) income, net	(535)	(2,528)	6,441	(6,312)
Loss before income taxes	(22,262)	(26,637)	(88,618)	(94,165)
Income tax expense	(533)	(751)	(1,352)	(2,686)
Net loss	\$ (22,795)	\$ (27,388)	\$ (89,970)	\$ (96,851)
Net loss per common share:				
Basic	\$ (0.57)	\$ (0.71)	\$ (2.28)	\$ (2.55)
Diluted	(0.57)	(0.71)	(2.28)	(2.55)
Weighted average number of common shares (in millions):				
Basic	39.8	38.5	39.5	37.9
Diluted	39.8	38.5	39.5	37.9

Adjusted Gross Profit and Adjusted Gross Margin

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Gross profit	\$ 148,523	\$ 135,053	\$ 409,675	\$ 397,044
Share-based compensation expense	368	557	1,297	1,591
SeaSpine merger-related costs	(438)	1,161	4,503	5,579
Restructuring costs and impairments related to M6 product lines	—	—	13,710	—
Strategic investments	1	32	57	160
Acquisition-related fair value adjustments	—	3,047	—	9,141
Amortization/depreciation of acquired long-lived assets	276	313	940	840
Adjusted gross profit	\$ 148,730	\$ 140,163	\$ 430,182	\$ 414,355
<i>Adjusted gross margin as a percentage of reported net sales</i>	72.3%	71.3%	71.4%	71.0%
Adjusted gross profit attributable to M6 product lines	(1,989)	(2,401)	(4,534)	(8,239)
Pro forma adjusted gross profit	\$ 146,741	\$ 137,762	\$ 425,648	\$ 406,116
<i>Pro forma adjusted gross margin as a percentage of pro forma net sales</i>	72.1%	72.0%	71.7%	71.7%

Adjusted EBITDA and Pro Forma Adjusted EBITDA

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (22,795)	\$ (27,388)	\$ (89,970)	\$ (96,851)
Income tax expense	533	751	1,352	2,686
Interest expense, net	4,681	5,210	13,137	14,711
Depreciation and amortization	12,941	15,173	64,243	44,067
Share-based compensation expense	7,181	6,531	21,474	25,290
Foreign exchange impact	571	(1,176)	(3,224)	1,263
SeaSpine merger-related costs	126	2,616	6,142	12,992
Restructuring costs and impairments related to M6 product lines	538	—	14,069	—
Strategic investments	227	39	4,094	470
Acquisition-related fair value adjustments	(427)	5,017	(1,800)	15,351
Interest and (gain) loss on investments	(10)	3,567	(41)	5,120
Litigation and investigation costs	21,548	8,335	28,619	10,318
Succession charges	—	505	—	8,061
Employee retention credit	—	—	(2,854)	—
Adjusted EBITDA	\$ 25,114	\$ 19,180	\$ 55,241	\$ 43,478
<i>Adjusted EBITDA as a percentage of reported net sales</i>	12.2%	9.8%	9.2%	7.4%
Operating (income) losses attributable to M6 product lines	(532)	(1,665)	1,417	(5,313)
Pro forma adjusted EBITDA	\$ 24,582	\$ 17,515	\$ 56,657	\$ 38,165
<i>Adjusted EBITDA as a percentage of pro forma net sales</i>	12.1%	9.2%	9.5%	6.7%

Adjusted Net Income (Loss) and Pro Forma Adjusted Net Income

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss	\$ (22,795)	\$ (27,388)	\$ (89,970)	\$ (96,851)
Share-based compensation expense	7,181	6,531	21,474	25,290
Foreign exchange impact	571	(1,176)	(3,224)	1,263
SeaSpine merger-related costs	151	2,619	9,411	13,434
Restructuring costs and impairments related to M6 product lines	538	—	34,999	—
Strategic investments	235	69	4,142	566
Acquisition-related fair value adjustments	(427)	5,017	(1,800)	15,351
Amortization/depreciation of acquired long-lived assets	3,396	5,046	12,251	14,486
Litigation and investigation costs	21,548	8,335	28,619	10,318
Succession charges	—	505	—	8,061
Interest and (gain) loss on investments	(10)	3,567	(41)	5,071
Employee retention credit	—	—	(3,616)	—
Long-term income tax rate adjustment	(2,525)	(335)	(2,455)	2,777
Adjusted net income (loss)	\$ 7,863	\$ 2,790	\$ 9,790	\$ (234)
Operating (income) losses attributable to M6 product lines	(976)	2,083	946	6,728
Long-term income tax rate adjustment for M6 product lines	273	(583)	(265)	(1,884)
Pro forma adjusted net income	\$ 7,160	\$ 4,290	\$ 10,471	\$ 4,610

Cash Flow and Free Cash Flow

(Unaudited, U.S. Dollars, in thousands)	Nine Months Ended September 30,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 5,650	\$ 2,060
Net cash used in investing activities	(23,727)	(26,445)
Net cash provided by (used in) financing activities	(3,163)	19,222
Effect of exchange rate changes on cash	1,448	(40)
Net change in cash and cash equivalents	\$ (19,792)	\$ (5,203)

(Unaudited, U.S. Dollars, in thousands)	Nine Months Ended September 30,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 5,650	\$ 2,060
Capital expenditures	(23,749)	(26,345)
Free cash flow	\$ (18,099)	\$ (24,285)

Pro Forma Non-GAAP Financial Statements – Excluding Impact of M6 Product Lines

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended			Nine Months Ended
	March 31, 2025	June 30, 2025	September 30, 2025	September 30, 2025
Net sales	\$ 189,203	\$ 200,658	\$ 203,411	\$ 593,272
Cost of sales (inclusive of share-based compensation expense)	56,183	54,770	56,672	167,625
Gross profit	133,020	145,888	146,739	425,648
Sales, general, and administrative	121,851	127,698	124,862	374,411
Research and development	14,623	14,615	14,109	43,347
Less - Share-based compensation expense in operating expenses	(6,008)	(7,356)	(6,814)	(20,178)
Operating income	2,554	10,931	14,582	28,067
Interest expense, net	(4,501)	(4,707)	(4,676)	(13,884)
Other expense, net	212	111	37	360
Loss before income taxes	(1,735)	6,335	9,943	14,543
Income tax (expense) benefit	486	(1,775)	(2,783)	(4,072)
Net loss	\$ (1,249)	\$ 4,560	\$ 7,160	\$ 10,471

Adjusted Sales, General and Administrative Expense

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Sales, general, and administrative	\$ 148,102	\$ 130,137	\$ 417,576	\$ 396,046
<i>Reconciling items impacting sales, general, and administrative:</i>				
SeaSpine merger-related costs	(538)	(1,321)	(4,680)	(7,455)
Restructuring costs and impairments related to M6 product lines	(537)	—	(5,266)	—
Strategic investments	(199)	(35)	(1,940)	(146)
Amortization/depreciation of acquired long-lived assets	—	(182)	(60)	(551)
Litigation and investigation costs	(21,548)	(8,335)	(28,169)	(10,318)
Succession charges	—	(505)	—	(8,061)
Sales, general, and administrative expense, as adjusted	\$ 125,280	\$ 119,759	\$ 377,461	\$ 369,515
<i>As a percentage of reported net sales</i>	<i>60.9%</i>	<i>60.9%</i>	<i>62.7%</i>	<i>63.3%</i>
Sales, general, and administrative expense attributable to M6 product lines	(417)	(3,142)	(3,048)	(10,441)
Pro forma sales, general, and administrative expense, as adjusted	\$ 124,863	\$ 116,617	\$ 374,413	\$ 359,074
<i>As a percentage of pro forma net sales</i>	<i>61.4%</i>	<i>61.0%</i>	<i>63.1%</i>	<i>63.4%</i>

Adjusted Research and Development Expense

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development expense, as reported	\$ 14,774	\$ 17,294	\$ 50,474	\$ 54,835
<i>Reconciling items impacting research and development:</i>				
SeaSpine merger-related costs	(50)	(66)	(228)	(384)
Restructuring costs and impairments related to M6 product lines	—	—	(1,929)	—
Strategic investments	(34)	(3)	(2,144)	(261)
Litigation and investigation costs	—	—	(450)	—
Research and development expense, as adjusted	\$ 14,690	\$ 17,225	\$ 45,723	\$ 54,190
<i>As a percentage of reported net sales</i>	7.1%	8.8%	7.6%	9.3%
Research and development expense attributable to M6 product lines	(582)	(2,187)	(2,376)	(6,863)
Pro forma research and development expense, as adjusted	\$ 14,108	\$ 15,038	\$ 43,347	\$ 47,327
<i>As a percentage of pro forma net sales</i>	6.9%	7.9%	7.3%	8.4%

Adjusted Non-Operating (Income) Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Unaudited, U.S. Dollars, in thousands)	2025	2024	2025	2024
Non-operating (income) expense	\$ 5,216	\$ 7,738	\$ 6,696	\$ 21,023
<i>Reconciling items impacting non-operating expense:</i>				
Restructuring costs and impairments related to M6 product lines	—	—	3	—
Foreign exchange impact	(571)	1,176	3,224	(1,263)
Interest and gain (loss) on investments	10	(3,567)	41	(5,070)
Employee retention credit	—	—	3,616	—
Non-operating expense, as adjusted	\$ 4,655	\$ 5,347	\$ 13,580	\$ 14,690
<i>As a percentage of reported net sales</i>	2.3%	2.7%	2.3%	2.5%
Losses attributable to M6 product lines	(16)	(23)	(57)	(88)
Pro forma non-operating expense, as adjusted	\$ 4,639	\$ 5,324	\$ 13,523	\$ 14,602
<i>As a percentage of pro forma net sales</i>	2.3%	2.8%	2.3%	2.6%

Pro Forma Non-GAAP Adjusted EBITDA – Excluding Impact of M6 Product Lines

	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
(Unaudited, U.S. Dollars, in thousands)	March 31, 2025	June 30, 2025	September 30, 2025	September 30, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net loss	\$ (20,201)	\$ (10,589)	\$ (23,232)	\$ (54,022)	\$ (32,501)	\$ (30,172)	\$ (23,930)	\$ (26,477)	\$ (113,079)
Income tax expense	961	(144)	533	1,349	851	1,084	751	(564)	2,122
Interest expense, net	4,501	3,945	4,676	13,122	4,553	4,938	5,205	14,915	29,611
Depreciation and amortization	13,669	16,739	13,390	43,798	13,341	12,606	13,780	14,562	54,289
Share-based compensation expense	6,469	7,824	7,181	21,474	8,689	9,864	6,443	7,086	32,082
Foreign exchange impact	(1,044)	(2,751)	571	(3,224)	1,577	851	(1,180)	3,091	4,338
SeaSpine merger-related costs	1,130	4,886	126	6,142	4,462	5,946	2,312	1,440	14,160
Restructuring costs and impairments related to M6 product lines	—	—	—	—	—	—	—	—	—
Strategic investments	3,514	353	227	4,094	120	311	39	440	910
Acquisition-related fair value adjustments	(610)	(763)	(427)	(1,800)	4,217	6,117	5,017	3,737	19,088
Interest and (gain) loss on investments	—	(31)	(10)	(41)	(260)	1,813	3,567	—	5,120
Litigation and investigation costs	3,042	4,029	21,548	28,619	2,260	(277)	8,335	5,452	15,770
Succession charges	—	—	—	—	2,210	5,346	505	1,315	9,376
Employee retention credit	—	(2,854)	—	(2,854)	—	—	—	—	—
Adjusted EBITDA	\$ 11,431	\$ 20,646	\$ 24,582	\$ 56,657	\$ 9,519	\$ 18,427	\$ 20,844	\$ 24,997	\$ 73,787

Pro Forma Non-GAAP Adjusted Net Loss and Adjusted Gross Margin – Excluding Impact of M6 Product Lines

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	March 31, 2025	June 30, 2025	September 30, 2025	September 30, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net loss	\$ (20,201)	\$ (10,589)	\$ (23,232)	\$ (54,022)	\$ (32,501)	\$ (30,172)	\$ (23,930)	\$ (26,477)	\$ (113,079)
Share-based compensation expense	6,469	7,824	7,181	21,474	8,689	9,864	6,443	7,086	32,082
Foreign exchange impact	(1,044)	(2,751)	571	(3,224)	1,577	851	(1,180)	3,090	4,338
SeaSpine merger-related costs	1,474	7,786	151	9,411	4,831	6,016	2,315	4,396	17,558
Restructuring costs and impairments related to M6 product lines	20,324	604	—	20,928	—	—	—	—	—
Strategic investments	3,543	364	235	4,142	126	371	69	470	1,036
Acquisition-related fair value adjustments	(610)	(761)	(427)	(1,800)	4,217	6,117	5,017	3,737	19,088
Amortization/depreciation of acquired long-lived assets	(15,693)	3,615	3,396	(8,680)	3,812	3,668	4,066	3,857	15,403
Litigation and investigation costs	3,042	4,029	21,548	28,619	2,260	(277)	8,335	5,452	15,770
Succession charges	—	—	—	—	2,210	5,346	505	1,315	9,376
Interest and (gain) loss on investments	—	(31)	(10)	(41)	(260)	1,764	3,567	—	5,070
Employee retention credit	—	(3,616)	—	(3,616)	—	—	—	—	—
Long-term income tax rate adjustment	1,447	(1,915)	(2,253)	(2,720)	2,024	(213)	(918)	(1,225)	(332)
Adjusted net loss	\$ (1,249)	\$ 4,560	\$ 7,160	\$ 10,471	\$ (3,015)	\$ 3,335	\$ 4,289	\$ 1,701	\$ 6,310

(Unaudited, U.S. Dollars, in thousands)	Three Months Ended			Nine Months Ended	Three Months Ended				Year Ended
	March 31, 2025	June 30, 2025	September 30, 2025	September 30, 2025	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Gross profit	\$ 131,633	\$ 140,683	\$ 146,534	\$ 418,850	\$ 124,360	\$ 131,819	\$ 132,862	\$ 145,563	\$ 534,604
Share-Based Compensation Expense	462	467	368	1,297	524	484	545	468	2,021
SeaSpine Merger-Related Costs	600	4,341	(438)	4,503	1,303	3,115	963	631	6,012
Restructuring costs and impairments related to M6 product lines	(1)	1	—	—	—	—	—	—	—
Strategic investments	13	43	1	57	65	63	32	32	192
Acquisition-related fair value adjustments	—	—	—	—	3,047	3,047	3,047	3,047	12,188
Amortization/depreciation of acquired long-lived assets	313	351	276	940	318	209	313	313	1,153
Adjusted gross profit	\$ 133,020	\$ 145,887	\$ 146,741	\$ 425,648	\$ 129,617	\$ 138,737	\$ 137,762	\$ 150,054	\$ 556,170
<i>Adjusted gross margin as a percentage of net sales</i>	<i>70.3%</i>	<i>72.7%</i>	<i>72.1%</i>	<i>71.7%</i>	<i>71.2%</i>	<i>72.0%</i>	<i>72.0%</i>	<i>71.5%</i>	<i>71.7%</i>

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